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HOUSE BILL 286

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Thomas C. Taylor

AN ACT

RELATING TO EDUCATION; CREATING THE EDUCATION STABILIZATION
FUND; TRANSFERRING TO THE FUND A PORTION OF THE ADDITIONAL
DISTRIBUTION FROM THE PERMANENT SCHOOL FUND; PROVIDING
RESTRICTIONS ON APPROPRIATIONS FROM THE FUND; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] LEGISLATIVE FINDINGS--PURPOSE--
FUND CREATED--APPROPRIATIONS FROM FUND RESTRICTED.--

A. The legislature finds that:

(1) the people of this state have recently
consented to an amendment to the constitution of New Mexico
that temporarily increases distributions from the permanent
school fund for the limited purpose of implementing and
maintaining educational reforms;

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1 (2) the educational reforms will require that
2 additional public revenues be appropriated after the temporary
3 additional distributions have expired;

4 (3) the governor has expressed the desire to
5 place a portion of the additional temporary distributions into
6 a "lock box" so that money will be available in the future in
7 order to maintain the level of funding for educational reforms;
8 and

9 (4) without a mechanism for safeguarding the
10 money for the future use, it is likely that New Mexico will
11 face another education crisis when, under the constitution, the
12 additional distributions cease.

13 B. The purpose of this section is to create an
14 education stabilization fund into which a portion of the
15 increased distributions from the permanent school fund will be
16 transferred along with such other money as available and
17 necessary to ensure that enough money will be reserved in order
18 to maintain necessary future funding levels for educational
19 reforms.

20 C. The "education stabilization fund" is created in
21 the state treasury. The fund shall consist of a portion of the
22 temporary additional distributions from the permanent school
23 fund, as provided in Paragraph (1) of Subsection G of Section 7
24 of Article 12 of the constitution of New Mexico and in Section
25 22-8-32 NMSA 1978, and such other money as appropriated or

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1 transferred to the fund upon a finding by the legislature that
2 the money will be needed in the future to maintain educational
3 reforms. Money in the fund shall be invested by the state
4 investment officer as land grant permanent funds are invested
5 pursuant to Chapter 6, Article 8 NMSA 1978. Income from
6 investment of the fund shall be credited to the fund. Money in
7 the fund shall not revert to any other fund. Money in the fund
8 shall be appropriated only for educational reforms and only as
9 provided in Subsection D of this section.

10 D. Money in the education stabilization fund shall
11 be subject to appropriation by the legislature pursuant to the
12 following criteria:

13 (1) in fiscal years 2005 through 2012, no
14 money shall be appropriated from that portion of the fund
15 attributable to the transfers made pursuant to Subsection C of
16 Section 22-8-32 NMSA 1978, including the earnings on the money
17 transferred;

18 (2) in fiscal years 2013 through 2016, amounts
19 may be appropriated from the fund for educational reforms;
20 provided that the total amount appropriated in those fiscal
21 years from that portion of the fund attributable to the
22 transfers made pursuant to Subsection C of Section 22-8-32 NMSA
23 1978, including the earnings thereon, shall not exceed thirty-
24 seven and one-half percent of that portion of the fund; and

25 (3) in fiscal year 2017 and subsequent fiscal

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1 years, the remaining balance in the fund may be appropriated
2 for educational reforms.

3 Section 2. Section 22-8-32 NMSA 1978 (being Laws 1967,
4 Chapter 16, Section 86, as amended) is amended to read:

5 "22-8-32. CURRENT SCHOOL FUND--RECEIPTS--DISPOSITION.--

6 A. As they are received, the state treasurer shall
7 deposit into the current school fund revenue received from the
8 following sources:

9 (1) all fines and forfeitures collected under
10 general laws;

11 (2) the net proceeds of property that may come
12 to the state by escheat; and

13 (3) all other revenue which by law is to be
14 credited to the current school fund.

15 B. At the end of each month, the state treasurer
16 shall transfer the amount in the common school current fund
17 [~~also known as the common school income fund~~] to the current
18 school fund.

19 C. At the end of each month in fiscal years 2005
20 through 2012, after the transfer authorized in Subsection B of
21 this section, the state treasurer shall transfer an amount from
22 the current school fund to the education stabilization fund
23 equal to one-eighth of the distribution made in that month
24 pursuant to Paragraph (1) of Subsection G of Section 7 of
25 Article 12 of the constitution of New Mexico.

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